

# **FINANCIAL SUMMARY**

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

## **FY2008 Semi-Annual**

(April 1, 2007 through September 30, 2007)

English translation from the original Japanese-language document

**TOYOTA MOTOR CORPORATION**

## Cautionary Statement with Respect to Forward-Looking Statements

This report contains forward-looking statements that reflect Toyota's plans and expectations. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause Toyota's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. These factors include: (i) changes in economic conditions and market demand affecting, and the competitive environment in, the automotive markets in Japan, North America, Europe and other markets in which Toyota operates; (ii) fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar, the Euro, the Australian dollar and the British pound; (iii) Toyota's ability to realize production efficiencies and to implement capital expenditures at the levels and times planned by management; (iv) changes in the laws, regulations and government policies in the markets in which Toyota operates that affect Toyota's automotive operations, particularly laws, regulations and government policies relating to trade, environmental protection, vehicle emissions, vehicle fuel economy and vehicle safety, as well as changes in laws, regulations and government policies that affect Toyota's other operations, including the outcome of future litigation and other legal proceedings; (v) political instability in the markets in which Toyota operates; (vi) Toyota's ability to timely develop and achieve market acceptance of new products; and (vii) fuel shortages or interruptions in transportation systems, labor strikes, work stoppages or other interruptions to, or difficulties in, the employment of labor in the major markets where Toyota purchases materials, components and supplies for the production of its products or where its products are produced, distributed or sold.

A discussion of these and other factors which may affect Toyota's actual results, performance, achievements or financial position is contained in Toyota's annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission.

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This report contains summarized and condensed financial statements prepared in accordance with accounting principles generally accepted in the United States of America. Certain amounts from prior periods have been reclassified to conform to the current semi-annual report.

# BUSINESS RESULTS AND FINANCIAL POSITION

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

## 1. Summary of Consolidated Financial Results for FY2008 Semi-Annual

### (1) Financial Results

During this semi-annual period, the Japanese economy has continued to grow resulting from improved corporate revenues and personal consumption. Overseas, economic conditions have remained steady overall, because of the stable personal consumption in the United States despite moderate economic recovery due to the decrease in construction of houses, steady economic condition in Europe, and continued strong economic growth in Asian countries, especially in China.

Under these conditions, consolidated vehicle sales in Japan and overseas increased by 156 thousand units, or 3.8%, to 4,301 thousand units in FY2008 semi-annual compared with FY2007 semi-annual, marking a record high in semi-annual results. While vehicle sales in Japan in FY2008 semi-annual decreased by 67 thousand units, or 6.3%, to 1,006 thousand units compared with FY2007 semi-annual due to a downturn in the automotive market conditions, overseas vehicle sales increased by 223 thousand units, or 7.3%, to 3,295 thousand units in FY2008 semi-annual compared with FY2007 semi-annual because of sales expansion in every region where Toyota operates.

As for the results of operations, net revenues increased by 1,540.4 billion yen, or 13.4%, to 13,012.2 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 178.7 billion yen, or 16.3%, to 1,272.1 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. Among the factors contributing to the increase in operating income totaling 330.0 billion yen, were the effects of changes in exchange rates of 150.0 billion yen, marketing efforts of 130.0 billion yen and cost reduction efforts of 50.0 billion yen. On the other hand, factors resulting in the decrease in operating income primarily included an increase in expenses of 151.3 billion yen. Income before income taxes, minority interest and equity in earnings of affiliated companies increased by 196.1 billion yen, or 16.8%, to 1,362.2 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. Net income increased by 165.2 billion yen, or 21.3%, to 942.4 billion yen in FY2008 semi-annual compared with FY2007 semi-annual.

### (2) Cash Flows

Cash flows from operating activities resulted in an increase in cash by 1,676.4 billion yen in FY2008 semi-annual period, mainly due to net income of 942.4 billion yen. Net cash provided by operating activities increased by 105.5 billion yen compared with an increase in cash by 1,570.9 billion yen in FY2007 semi-annual. Cash flows from investing activities resulted in a decrease in cash by 2,160.8 billion yen in FY2008 semi-annual, mainly due to the additions to finance receivables of 5,096.3 billion yen. Net cash used in investing activities in the FY2008 semi-annual increased by 439.7 billion yen compared with 1,721.1 billion yen of net cash used in investing activities in the FY2007 semi-annual. Cash flows from financing activities resulted in an increase in cash by 595.1 billion yen in FY2008 semi-annual, mainly due to the proceeds from issuance of long-term debt of 1,612.9 billion yen. Net cash provided by financing activities increased by 124.3 billion yen compared with FY2007 semi-annual. After consideration of the effect of changes in exchange rates, cash and cash equivalents increased by 111.3 billion yen, or 5.9%, to 2,011.6 billion yen at the end of FY2008 semi-annual period compared with the end of FY2007.

Regarding the consolidated cash flows by segment for FY2008 semi-annual period, in non-financial services business, net cash provided by operating activities was 1,216.3 billion yen, net cash used in investing activities was 924.8 billion yen and net cash used in financing activities was 292.6 billion yen. Meanwhile, in the financial services business, net cash provided by operating activities was 407.2 billion yen, net cash used in investing activities was 1,174.2 billion yen and net cash provided by financing activities was 878.9 billion yen.

## **2. Consolidated Financial Results for FY2008 Semi-Annual by Segment**

### **(1) Segment Operating Results**

#### **Automotive:**

Net revenues for the automotive operations increased by 1,455.4 billion yen, or 13.9%, to 11,939.6 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 189.5 billion yen, or 19.1%, to 1,181.6 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The increase in operating income was mainly due to the effects of changes in exchange rates, increases in both production volume and vehicle units sold, and cost reduction efforts, partially offset by an increase in expenses.

#### **Financial services:**

Net revenues for the financial services operations increased by 185.9 billion yen, or 31.0%, to 785.3 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, while operating income decreased by 2.1 billion yen, or 2.7%, to 77.8 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The decrease in operating income was mainly due to the recording of valuation losses on interest rate swaps stated at fair value by sales finance subsidiaries in accordance with the Statement of Financial Accounting Standards (FAS) No. 133 (as amended by several guidance including FAS No. 138), despite a steady increase in financing volumes.

#### **All other:**

Net revenues for all other businesses decreased by 28.2 billion yen, or 4.4%, to 614.0 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income decreased by 10.9 billion yen, or 51.9%, to 10.1 billion yen in FY2008 semi-annual compared with FY2007 semi-annual.

## (2) Geographic Information

### Japan:

Net revenues in Japan increased by 306.5 billion yen, or 4.4%, to 7,316.8 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 88.9 billion yen, or 13.0%, to 773.3 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The increase in operating income was mainly due to the effects of changes in exchange rates and cost reduction efforts, partially offset by an increase in expenses.

### North America:

Net revenues in North America increased by 565.3 billion yen, or 13.0%, to 4,909.9 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 3.6 billion yen, or 1.4%, to 254.1 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The increase in operating income was mainly due to increases in both production volume and vehicle units sold and the effects of cost reduction efforts.

### Europe:

Net revenues in Europe increased by 338.0 billion yen, or 20.1%, to 2,020.6 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 2.3 billion yen, or 3.5%, to 68.3 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The increase in operating income was mainly due to an increase in vehicle units sold.

### Asia:

Net revenues in Asia increased by 480.6 billion yen, or 46.9%, to 1,505.3 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 55.4 billion yen, or 90.4%, to 116.7 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The increase in operating income was mainly due to increases in both production volumes and vehicle units sold.

### Other:

Net revenues in other regions increased by 160.4 billion yen, or 16.6%, to 1,128.9 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 35.6 billion yen, or 98.8% to 71.7 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The increase in operating income was mainly due to increases in both production volumes and vehicle units sold.

### **3. Basic Policy on the Distribution of Profits and the Distribution of Profits for FY2008**

Toyota Motor Corporation (“TMC”) deems the benefit of its shareholders as one of its priority management policies and continuously strives to increase per-share earnings, through aggressively promoting its business while improving and strengthening its corporate foundations. With respect to the payment of dividends, TMC seeks to enhance the distribution of profits by striving to raise the consolidated dividend payout ratio, with the aim of gradually increasing it to 30%, and TMC is endeavoring towards the early attainment of this goal, while giving due consideration to factors such as annual operating results and new investment plans. Furthermore, TMC repurchases its own shares to improve capital efficiency and to respond appropriately to changes in the business environment.

TMC pays dividends twice per year — an interim dividend and a year-end dividend —, and in order to secure an opportunity to directly seek shareholders’ opinions, TMC treats payments of year-end dividends as a matter to be resolved at TMC’s ordinary general shareholders’ meeting, even though TMC’s articles of incorporation stipulate that retained earnings can be distributed as dividends pursuant to the resolution of the board of directors.

As TMC anticipates the continued growth of worldwide automotive markets, TMC will utilize its internal funds to invest in improvement of product performance and development of next-generation technologies to achieve future growth, to develop production and sales networks in both domestic and overseas markets for further expansion of its global business and to expand into new business areas while securing a solid management foundation.

TMC will increase interim dividends for FY2008 by 15 yen per share to 65 yen per share from the interim dividends for FY2007 declared in November 2006. As a result, the consolidated interim dividend payout ratio for FY2008 will be 22.0%.

Also, in accordance with the policy mentioned above, TMC repurchased 13 million of its treasury shares during FY2008 semi-annual at an aggregate cost of 99.4 billion yen (excluding fractional shares repurchased in accordance with shareholders’ requests to purchase).

#### 4. Forecast of Financial Results for FY2008

Although we expect overall growth of the world economy to continue, we face a variety of unstable elements in the future business environment, including concerns about the future of the American economy, movement in oil prices and changes in the pace of growth of the Chinese economy. The Japanese economy is experiencing a moderate expansion, but there are concerns that rapid fluctuations in exchange rates and continuing high prices for raw materials may have an adverse impact on corporate revenue, which is the driving force of the current economy. Also, in the automotive industry, emerging markets which are expected to continue to grow, competition among leading global and regional auto makers is becoming increasingly fierce. In addition, environmental regulations are being strengthened throughout the world and environmental awareness is on the rise, leading to intense global competition in the development of technologies and the introduction of new products.

Under these circumstances, current forecast of consolidated financial results for the fiscal year ending March 2008 is set forth below. This forecast assumes average exchange rates through the fiscal year of 115 yen per US\$1 and 159 yen per 1 euro.

##### Forecast of consolidated results for FY2008

|   |                      |  |
|---|----------------------|--|
| Net revenues  | 25,500.0 billion yen | (an increase of 6.5% compared with FY2007) |
| Operating income  | 2,300.0 billion yen  | (an increase of 2.7% compared with FY2007) |
| Income before income taxes,<br>minority interest and equity<br>in earnings of affiliated<br>companies | 2,450.0 billion yen  | (an increase of 2.8% compared with FY2007) |
| Net income  | 1,700.0 billion yen  | (an increase of 3.4% compared with FY2007) |

These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause Toyota's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

When using forecast of financial results, please refer to the Cautionary Statement with Respect to Forward-Looking Statements on the inside cover of this Financial Summary.

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

“Overview of Associated Companies” has been omitted, as there were no significant changes from the “Organizational Structure (Description of Business)” or the “Overview of Affiliated Companies” in the most recent Securities Report (filed on June 25, 2007).

“Management Policy” has been omitted, as there were no significant changes from the matters disclosed in the “Financial Summary” for the fiscal year ended March 31, 2007 (released on May 9, 2007).

The aforementioned information is available on the following Web sites.

Toyota Web site:

<http://www.toyota.co.jp>

Tokyo Stock Exchange Group, Inc. Web site (listed company search page):

<http://www.tse.or.jp/listing/compsearch/index.html> (Japanese only)



# CONSOLIDATED PRODUCTION AND SALES

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

## 1. Production

|                   |                | FY2007 semi-annual<br>(April 2006 through<br>September 2006) | FY2008 semi-annual<br>(April 2007 through<br>September 2007) | Increase<br>(Decrease) | (Units)<br>FY2007<br>(April 2006 through<br>March 2007) |
|-------------------|----------------|--|--|------------------------|---|
| Vehicles<br>(new) | Japan          | 2,450,028  | 2,429,648  | (20,380)               | 5,100,823   |
|                   | North America  | 590,108  | 645,848  | 55,740                 | 1,204,676   |
|                   | Europe         | 349,389  | 341,176  | (8,213)                | 709,263   |
|                   | Asia           | 372,537  | 456,961  | 84,424                 | 754,960   |
|                   | Other          | 195,424  | 221,131  | 25,707                 | 411,229   |
|                   | Overseas total | 1,507,458  | 1,665,116  | 157,658                | 3,080,128   |
|                   | <b>Total</b>   | <b>3,957,486</b>   | <b>4,094,764</b>   | <b>137,278</b>         | <b>8,180,951</b>  |
| Houses (Japan)    | 2,571          | 2,175  | (396)  | 5,621                  |   |

Note: The total production of vehicles (new) includes 406,394 units of Daihatsu brand vehicles (including OEM production) in FY2007 semi-annual, 409,438 units in FY2008 semi-annual and 855,579 units in FY2007 results, and 52,299 units of Hino brand vehicles in FY2007 semi-annual, 53,804 units in FY2008 semi-annual and 99,511 units in FY2007 results.

## 2. Sales (by destination)

|                   |                | FY2007 semi-annual<br>(April 2006 through<br>September 2006) | FY2008 semi-annual<br>(April 2007 through<br>September 2007) | Increase<br>(Decrease) | (Units)<br>FY2007<br>(April 2006 through<br>March 2007) |
|-------------------|----------------|--|--|------------------------|---|
| Vehicles<br>(new) | Japan          | 1,073,457  | 1,006,343  | (67,114)               | 2,273,152   |
|                   | North America  | 1,463,546  | 1,497,086  | 33,540                 | 2,942,661   |
|                   | Europe         | 589,240  | 634,691  | 45,451                 | 1,223,628   |
|                   | Asia           | 381,799  | 452,441  | 70,642                 | 789,637   |
|                   | Other          | 637,281  | 711,265  | 73,984                 | 1,295,581   |
|                   | Overseas total | 3,071,866  | 3,295,483  | 223,617                | 6,251,507   |
|                   | <b>Total</b>   | <b>4,145,323</b>   | <b>4,301,826</b>   | <b>156,503</b>         | <b>8,524,659</b>  |
| Houses (Japan)    | 2,593          | 2,265  | (328)  | 5,807                  |   |

Note: The total sales of vehicles (new) include 361,401 units of Daihatsu brand vehicles in FY2007 semi-annual, 371,826 units in FY2008 semi-annual and 771,296 units in FY2007 results, and 51,628 units of Hino brand vehicles in FY2007 semi-annual, 53,290 units in FY2008 semi-annual and 101,880 units in FY2007 results.

# BREAKDOWN OF CONSOLIDATED NET REVENUES

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

(Amounts are rounded to the nearest million yen)

|   | FY2007 semi-annual<br>(April 2006 through<br>September 2006) | FY2008 semi-annual<br>(April 2007 through<br>September 2007) | Increase<br>(Decrease) |
|---|--|--|------------------------|
| Vehicles                                      | 8,965,658  | 10,217,292   | 1,251,634              |
| Parts & components for overseas<br>production | 177,648  | 185,107  | 7,459                  |
| Parts   | 704,954  | 878,582  | 173,628                |
| Other   | 628,855  | 650,720  | 21,865                 |
| <b>Total Automotive</b>                       | <b>10,477,115</b>  | <b>11,931,701</b>  | <b>1,454,586</b>       |
| Financial services                            | 588,711  | 770,550  | 181,839                |
| Housing                                       | 71,940   | 60,744   | (11,196)               |
| Telecommunications                            | 25,376   | 27,276   | 1,900                  |
| Other   | 308,747  | 221,938  | (86,809)               |
| <b>Total</b>                                  | <b>11,471,889</b>  | <b>13,012,209</b>  | <b>1,540,320</b>       |

Note: The amounts represent net revenues to external customers.

# CONSOLIDATED STATEMENTS OF INCOME

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

(Amounts are rounded to the nearest million yen)

|   | FY2007 semi-annual<br>(April 2006 through<br>September 2006) | FY2008 semi-annual<br>(April 2007 through<br>September 2007) | Increase<br>(Decrease) | FY2007<br>(April 2006 through<br>March 2007) |
|---|--|--|------------------------|--|
| <b>Net revenues :</b>   | <b>11,471,889</b>  | <b>13,012,209</b>  | <b>1,540,320</b>       | <b>23,948,091</b>                            |
| Sales of products   | 10,883,178   | 12,241,659   | 1,358,481              | 22,670,097                                   |
| Financing operations  | 588,711  | 770,550  | 181,839                | 1,277,994                                    |
| <b>Costs and expenses :</b>   | <b>10,378,464</b>  | <b>11,740,045</b>  | <b>1,361,581</b>       | <b>21,709,408</b>                            |
| Cost of products sold   | 8,823,752  | 10,006,694   | 1,182,942              | 18,356,255                                   |
| Cost of financing operations  | 396,595  | 555,184  | 158,589                | 872,138                                      |
| Selling, general and<br>administrative  | 1,158,117  | 1,178,167  | 20,050                 | 2,481,015                                    |
| <b>Operating income</b>   | <b>1,093,425</b>   | <b>1,272,164</b>   | <b>178,739</b>         | <b>2,238,683</b>                             |
| <b>Other income (expense):</b>  | <b>72,709</b>  | <b>90,114</b>  | <b>17,405</b>          | <b>143,833</b>                               |
| Interest and dividend income  | 59,626   | 79,681   | 20,055                 | 131,939                                      |
| Interest expense  | (20,963)   | (24,384)   | (3,421)                | (49,326)                                     |
| Foreign exchange gain, net  | 16,978   | 3,064  | (13,914)               | 33,005                                       |
| Other income, net   | 17,068   | 31,753   | 14,685                 | 28,215                                       |
| <b>Income before income taxes,<br/>minority interest and equity in<br/>earnings of affiliated<br/>companies</b> | <b>1,166,134</b>   | <b>1,362,278</b>   | <b>196,144</b>         | <b>2,382,516</b>                             |
| <b>Provision for income taxes</b>   | <b>456,422</b>   | <b>523,933</b>   | <b>67,511</b>          | <b>898,312</b>                               |
| <b>Income before minority interest<br/>and equity in earnings of<br/>affiliated companies</b>                   | <b>709,712</b>   | <b>838,345</b>   | <b>128,633</b>         | <b>1,484,204</b>                             |
| <b>Minority interest in consolidated<br/>subsidiaries</b>   | <b>(21,987)</b>  | <b>(41,039)</b>  | <b>(19,052)</b>        | <b>(49,687)</b>                              |
| <b>Equity in earnings of affiliated<br/>companies</b>   | <b>89,491</b>  | <b>145,104</b>   | <b>55,613</b>          | <b>209,515</b>                               |
| <b>Net income</b>   | <b>777,216</b>   | <b>942,410</b>   | <b>165,194</b>         | <b>1,644,032</b>                             |

(Yen)

|                                |        |        |       |        |
|--------------------------------|--------|--------|-------|--------|
| Net income per share – Basic   | 241.36 | 295.50 | 54.14 | 512.09 |
| Net income per share – Diluted | 241.25 | 295.34 | 54.09 | 511.80 |

# CONSOLIDATED BALANCE SHEETS

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

(Amounts are rounded to the nearest million yen)

|   | FY2007<br>(As of March 31,<br>2007) | FY2008 semi-annual<br>(As of September 30,<br>2007) | Increase<br>(Decrease) | FY2007<br>semi-annual<br>(As of September<br>30, 2006) |
|---|-------------------------------------|---|------------------------|--|
| <b>Assets</b>   |                                     |   |                        |  |
| <b>Current assets :</b>   | <b>11,784,123</b>                   | <b>12,424,350</b>                                   | <b>640,227</b>         | <b>10,902,579</b>                                      |
| Cash and cash equivalents   | 1,900,379                           | 2,011,629   | 111,250                | 1,906,381  |
| Time deposits   | 26,709                              | 131,732   | 105,023                | 19,853   |
| Marketable securities   | 435,463                             | 546,155   | 110,692                | 484,800  |
| Trade accounts and notes<br>receivable, less allowance for<br>doubtful accounts | 2,023,818                           | 1,890,482   | (133,336)              | 1,753,049  |
| Finance receivables, net  | 4,036,363                           | 4,242,137   | 205,774                | 3,577,884  |
| Other receivables   | 486,170                             | 494,949   | 8,779                  | 413,020  |
| Inventories   | 1,803,956                           | 1,917,129   | 113,173                | 1,702,959  |
| Deferred income taxes   | 551,503                             | 584,416   | 32,913                 | 531,004  |
| Prepaid expenses and other<br>current assets                                    | 519,762                             | 605,721   | 85,959                 | 513,629  |
| <b>Noncurrent finance receivables,<br/>net</b>                                  | <b>5,694,733</b>                    | <b>6,172,484</b>                                    | <b>477,751</b>         | <b>5,279,168</b>                                       |
| <b>Investments and other assets :</b>   | <b>7,035,404</b>                    | <b>7,069,708</b>                                    | <b>34,304</b>          | <b>6,238,311</b>                                       |
| Marketable securities and other<br>securities investments                       | 3,829,852                           | 3,758,916   | (70,936)               | 3,406,173  |
| Affiliated companies  | 2,058,177                           | 2,156,126   | 97,949                 | 1,902,341  |
| Employees receivables   | 96,742                              | 85,091  | (11,651)               | 93,779   |
| Other   | 1,050,633                           | 1,069,575   | 18,942                 | 836,018  |
| <b>Property, plant and equipment :</b>  | <b>8,060,519</b>                    | <b>8,224,139</b>                                    | <b>163,620</b>         | <b>7,627,789</b>                                       |
| Land  | 1,233,137                           | 1,247,902   | 14,765                 | 1,231,978  |
| Buildings   | 3,444,764                           | 3,543,960   | 99,196                 | 3,273,810  |
| Machinery and equipment   | 9,184,751                           | 9,455,427   | 270,676                | 8,678,981  |
| Vehicles and equipment on<br>operating leases                                   | 3,309,337                           | 3,422,616   | 113,279                | 3,044,190  |
| Construction in progress  | 349,465                             | 318,425   | (31,040)               | 513,726  |
| Less – Accumulated depreciation   | (9,460,935)                         | (9,764,191)   | (303,256)              | (9,114,896)  |
| <b>Total assets</b>   | <b>32,574,779</b>                   | <b>33,890,681</b>                                   | <b>1,315,902</b>       | <b>30,047,847</b>                                      |

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

(Amounts are rounded to the nearest million yen)

|   | FY2007<br>(As of March 31,<br>2007) | FY2008 semi-annual<br>(As of September 30,<br>2007) | Increase<br>(Decrease) | FY2007<br>semi-annual<br>(As of September<br>30, 2006) |
|---|-------------------------------------|---|------------------------|--|
| <b>Liabilities</b>                                    |                                     |   |                        |  |
| <b>Current liabilities :</b>                          | <b>11,767,170</b>                   | <b>12,393,038</b>                                   | <b>625,868</b>         | <b>10,424,731</b>                                      |
| Short-term borrowings                                 | 3,497,391                           | 3,838,759   | 341,368                | 3,318,463  |
| Current portion of long-term debt                     | 2,368,116                           | 2,868,192   | 500,076                | 1,887,088  |
| Accounts payable                                      | 2,211,586                           | 2,106,866   | (104,720)              | 2,016,222  |
| Other payables  | 807,481                             | 721,095   | (86,386)               | 629,345  |
| Accrued expenses                                      | 1,668,337                           | 1,681,739   | 13,402                 | 1,493,048  |
| Income taxes payable                                  | 421,196                             | 314,095   | (107,101)              | 332,743  |
| Other current liabilities                             | 793,063                             | 862,292   | 69,229                 | 747,822  |
| <b>Long-term liabilities :</b>                        | <b>8,343,273</b>                    | <b>8,465,277</b>                                    | <b>122,004</b>         | <b>8,031,252</b>                                       |
| Long-term debt  | 6,263,585                           | 6,309,855   | 46,270                 | 6,107,553  |
| Accrued pension and severance costs                   | 640,586                             | 624,038   | (16,548)               | 686,393  |
| Deferred income taxes                                 | 1,312,400                           | 1,339,185   | 26,785                 | 1,137,378  |
| Other long-term liabilities                           | 126,702                             | 192,199   | 65,497                 | 99,928   |
| <b>Total liabilities</b>                              | <b>20,110,443</b>                   | <b>20,858,315</b>                                   | <b>747,872</b>         | <b>18,455,983</b>                                      |
| <b>Minority interest in consolidated subsidiaries</b> | <b>628,244</b>                      | <b>651,105</b>                                      | <b>22,861</b>          | <b>597,329</b>   |
| <b>Shareholders' equity</b>                           |                                     |   |                        |  |
| <b>Common stock</b>                                   | <b>397,050</b>                      | <b>397,050</b>                                      | <b>–</b>               | <b>397,050</b>   |
| <b>Additional paid-in capital</b>                     | <b>497,593</b>                      | <b>499,194</b>                                      | <b>1,601</b>           | <b>496,808</b>   |
| <b>Retained earnings</b>                              | <b>11,764,713</b>                   | <b>12,483,267</b>                                   | <b>718,554</b>         | <b>11,058,708</b>                                      |
| <b>Accumulated other comprehensive income</b>         | <b>701,390</b>                      | <b>624,677</b>                                      | <b>(76,713)</b>        | <b>431,973</b>   |
| <b>Treasury stock, at cost</b>                        | <b>(1,524,654)</b>                  | <b>(1,622,927)</b>                                  | <b>(98,273)</b>        | <b>(1,390,004)</b>                                     |
| <b>Total shareholders' equity</b>                     | <b>11,836,092</b>                   | <b>12,381,261</b>                                   | <b>545,169</b>         | <b>10,994,535</b>                                      |
| <b>Total liabilities and shareholders' equity</b>     | <b>32,574,779</b>                   | <b>33,890,681</b>                                   | <b>1,315,902</b>       | <b>30,047,847</b>                                      |

# CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

(1) FY2007 semi-annual (April 2006 through September 2006)

(Amounts are rounded to the nearest million yen)

|  | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive income | Treasury stock, at cost | Total shareholders' equity |
|--|--------------|----------------------------|-------------------|--|-------------------------|----------------------------|
| Balances at March 31, 2006   | 397,050      | 495,250                    | 10,459,788        | 437,316                                | (1,228,955)             | 10,560,449                 |
| Issuance during the period   |              | 1,558                      |                   |  |                         | 1,558                      |
| <b>Comprehensive income:</b>   |              |                            |                   |  |                         |                            |
| Net income   |              |                            | 777,216           |  |                         | 777,216                    |
| Other comprehensive income (loss)                                    |              |                            |                   |  |                         |                            |
| Foreign currency translation adjustments                             |              |                            |                   | 43,451                                 |                         | 43,451                     |
| Unrealized losses on securities, net of reclassification adjustments |              |                            |                   | (49,080)                               |                         | (49,080)                   |
| Minimum pension liability adjustments                                |              |                            |                   | 286                                    |                         | 286                        |
| <b>Total comprehensive income</b>                                    |              |                            |                   |  |                         | <b>771,873</b>             |
| Dividends paid   |              |                            | (178,296)         |  |                         | (178,296)                  |
| Purchase and reissuance of common stock                              |              |                            |                   |  | (161,049)               | (161,049)                  |
| Balances at September 30, 2006                                       | 397,050      | 496,808                    | 11,058,708        | 431,973                                | (1,390,004)             | 10,994,535                 |

(2) FY2008 semi-annual (April 2007 through September 2007)

(Amounts are rounded to the nearest million yen)

|  | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive income | Treasury stock, at cost | Total shareholders' equity |
|--|--------------|----------------------------|-------------------|--|-------------------------|----------------------------|
| Balances at March 31, 2007   | 397,050      | 497,593                    | 11,764,713        | 701,390                                | (1,524,654)             | 11,836,092                 |
| Issuance during the period   |              | 1,601                      |                   |  |                         | 1,601                      |
| <b>Comprehensive income:</b>   |              |                            |                   |  |                         |                            |
| Net income   |              |                            | 942,410           |  |                         | 942,410                    |
| Other comprehensive income (loss)                                    |              |                            |                   |  |                         |                            |
| Foreign currency translation adjustments                             |              |                            |                   | 24,563                                 |                         | 24,563                     |
| Unrealized losses on securities, net of reclassification adjustments |              |                            |                   | (97,664)                               |                         | (97,664)                   |
| Pension liability adjustments  |              |                            |                   | (3,612)                                |                         | (3,612)                    |
| <b>Total comprehensive income</b>                                    |              |                            |                   |  |                         | <b>865,697</b>             |
| Dividends paid   |              |                            | (223,856)         |  |                         | (223,856)                  |
| Purchase and reissuance of common stock                              |              |                            |                   |  | (98,273)                | (98,273)                   |
| Balances at September 30, 2007                                       | 397,050      | 499,194                    | 12,483,267        | 624,677                                | (1,622,927)             | 12,381,261                 |

# CONSOLIDATED STATEMENTS OF CASH FLOWS

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

(Amounts are rounded to the nearest million yen)

|   | FY2007 semi-annual<br>(April 2006 through<br>September 2006) | FY2008 semi-annual<br>(April 2007 through<br>September 2007) | FY2007<br>(April 2006 through<br>March 2007) |
|---|--|--|--|
| <b>Cash flows from operating activities :</b>   |  |  |  |
| Net income  | 777,216  | 942,410  | 1,644,032                                    |
| Adjustments to reconcile net income to net cash provided by operating activities      |  |  |  |
| Depreciation  | 655,959  | 754,314  | 1,382,594                                    |
| Provision for doubtful accounts and credit losses                                     | 1,773  | 41,690   | 71,862                                       |
| Pension and severance costs, less payments  | (10,540)   | (16,826)   | (32,054)                                     |
| Loss on disposal of fixed assets  | 19,007   | 23,864   | 50,472                                       |
| Unrealized losses on available-for-sale securities, net                               | 1,502  | 5,696  | 4,614  |
| Deferred income taxes   | 47,701   | 69,262   | 132,308                                      |
| Minority interest in consolidated subsidiaries  | 21,987   | 41,039   | 49,687                                       |
| Equity in earnings of affiliated companies  | (89,491)   | (145,104)  | (209,515)                                    |
| Changes in operating assets and liabilities and other                                 | 145,879  | (39,895)   | 144,173                                      |
| <b>Net cash provided by operating activities</b>                                      | <b>1,570,993</b>   | <b>1,676,450</b>   | <b>3,238,173</b>                             |
| <b>Cash flows from investing activities :</b>   |  |  |  |
| Additions to finance receivables  | (3,314,835)  | (5,096,374)  | (7,343,474)                                  |
| Collection of and proceeds from sales of finance receivables                          | 2,782,273  | 4,384,140  | 6,236,582                                    |
| Additions to fixed assets excluding equipment leased to others                        | (708,363)  | (687,568)  | (1,425,814)                                  |
| Additions to equipment leased to others   | (764,888)  | (736,051)  | (1,410,003)                                  |
| Proceeds from sales of fixed assets excluding equipment leased to others              | 33,066   | 27,359   | 64,421                                       |
| Proceeds from sales of equipment leased to others                                     | 217,215  | 197,656  | 359,923                                      |
| Purchases of marketable securities and security investments                           | (373,788)  | (666,807)  | (1,068,205)                                  |
| Proceeds from sales of and maturity of marketable securities and security investments | 437,963  | 445,226  | 825,171                                      |
| Payment for additional investments in affiliated companies, net of cash acquired      | (1,481)  | –  | (1,651)                                      |
| Changes in investments and other assets and other                                     | (28,336)   | (28,398)   | (51,328)                                     |
| <b>Net cash used in investing activities</b>  | <b>(1,721,174)</b>   | <b>(2,160,817)</b>   | <b>(3,814,378)</b>                           |
| <b>Cash flows from financing activities :</b>   |  |  |  |
| Purchase of common stock  | (160,987)  | (98,252)   | (295,699)                                    |
| Proceeds from issuance of long-term debt  | 1,435,422  | 1,612,953  | 2,890,000                                    |
| Payments of long-term debt  | (857,903)  | (1,048,897)  | (1,726,823)                                  |
| Increase in short-term borrowings   | 232,634  | 353,206  | 353,397                                      |
| Dividends paid  | (178,296)  | (223,856)  | (339,107)                                    |
| <b>Net cash provided by financing activities</b>                                      | <b>470,870</b>   | <b>595,154</b>   | <b>881,768</b>                               |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                   | <b>16,305</b>  | <b>463</b>   | <b>25,429</b>                                |
| <b>Net increase in cash and cash equivalents</b>                                      | <b>336,994</b>   | <b>111,250</b>   | <b>330,992</b>                               |
| <b>Cash and cash equivalents at beginning of period</b>                               | <b>1,569,387</b>   | <b>1,900,379</b>   | <b>1,569,387</b>                             |
| <b>Cash and cash equivalents at end of period</b>                                     | <b>1,906,381</b>   | <b>2,011,629</b>   | <b>1,900,379</b>                             |

Note: In the Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand, bank deposits that can be withdrawn at any time and short-term investments that can be converted into cash at any time and carry minimal risk of change in value.

# SEGMENT INFORMATION

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

## 1. Segment Operating Results

(1) FY2007 semi-annual (April 2006 through September 2006)

(Amounts are rounded to the nearest million yen)

|                                      | Automotive | Financial Services | All Other | Intersegment Elimination and/or Unallocated Amount | Consolidated |
|--------------------------------------|------------|--------------------|-----------|--|--------------|
| Net revenues :                       |            |                    |           |  |              |
| (1) Sales to external customers      | 10,477,115 | 588,711            | 406,063   | –  | 11,471,889   |
| (2) Intersegment sales and transfers | 7,135      | 10,758             | 236,123   | (254,016)  | –            |
| Total                                | 10,484,250 | 599,469            | 642,186   | (254,016)  | 11,471,889   |
| Operating expenses                   | 9,492,133  | 519,542            | 621,178   | (254,389)  | 10,378,464   |
| Operating income                     | 992,117    | 79,927             | 21,008    | 373  | 1,093,425    |
| Depreciation expenses                | 453,713    | 188,253            | 13,993    | –  | 655,959      |
| Capital expenditure                  | 713,706    | 699,063            | 21,032    | 39,450   | 1,473,251    |

(2) FY2008 semi-annual (April 2007 through September 2007)

(Amounts are rounded to the nearest million yen)

|                                      | Automotive | Financial Services | All Other | Intersegment Elimination and/or Unallocated Amount | Consolidated |
|--------------------------------------|------------|--------------------|-----------|--|--------------|
| Net revenues :                       |            |                    |           |  |              |
| (1) Sales to external customers      | 11,931,701 | 770,550            | 309,958   | –  | 13,012,209   |
| (2) Intersegment sales and transfers | 7,937      | 14,766             | 304,017   | (326,720)  | –            |
| Total                                | 11,939,638 | 785,316            | 613,975   | (326,720)  | 13,012,209   |
| Operating expenses                   | 10,758,006 | 707,508            | 603,864   | (329,333)  | 11,740,045   |
| Operating income                     | 1,181,632  | 77,808             | 10,111    | 2,613  | 1,272,164    |
| Depreciation expenses                | 508,161    | 232,296            | 13,857    | –  | 754,314      |
| Capital expenditure                  | 659,602    | 672,250            | 26,146    | 65,621   | 1,423,619    |



## 2. Consolidated Financial Statements as Classified into Non-Financial Services Business and Financial Services Business

### (1) Consolidated Statements of Income as Classified into Non-Financial Services Business and Financial Services Business

(Amounts are rounded to the nearest million yen)

|   | FY2007 semi-annual<br>(April 2006 through<br>September 2006) | FY2008 semi-annual<br>(April 2007 through<br>September 2007) | Increase<br>(Decrease) |
|---|--|--|------------------------|
| (Non-financial services)  |  |  |                        |
| <b>Net revenues</b>   | <b>10,887,916</b>  | <b>12,246,417</b>  | <b>1,358,501</b>       |
| <b>Costs and expenses :</b>   | <b>9,870,553</b>   | <b>11,048,605</b>  | <b>1,178,052</b>       |
| Cost of revenues  | 8,825,976  | 10,010,299   | 1,184,323              |
| Selling, general and administrative   | 1,044,577  | 1,038,306  | (6,271)                |
| <b>Operating income</b>   | <b>1,017,363</b>   | <b>1,197,812</b>   | <b>180,449</b>         |
| <b>Other income, net</b>  | <b>73,739</b>  | <b>91,381</b>  | <b>17,642</b>          |
| <b>Income before income taxes,<br/>minority interest and equity in earnings of<br/>affiliated companies</b> | <b>1,091,102</b>   | <b>1,289,193</b>   | <b>198,091</b>         |
| <b>Provision for income taxes</b>   | <b>429,595</b>   | <b>495,579</b>   | <b>65,984</b>          |
| <b>Income before minority interest and equity in<br/>earnings of affiliated companies</b>                   | <b>661,507</b>   | <b>793,614</b>   | <b>132,107</b>         |
| <b>Minority interest in consolidated subsidiaries</b>   | <b>(20,969)</b>  | <b>(39,468)</b>  | <b>(18,499)</b>        |
| <b>Equity in earnings of affiliated companies</b>   | <b>80,722</b>  | <b>136,990</b>   | <b>56,268</b>          |
| <b>Net income</b>   | <b>721,260</b>   | <b>891,136</b>   | <b>169,876</b>         |
| (Financial services)  |  |  |                        |
| <b>Net revenues</b>   | <b>599,469</b>   | <b>785,316</b>   | <b>185,847</b>         |
| <b>Costs and expenses :</b>   | <b>519,542</b>   | <b>707,508</b>   | <b>187,966</b>         |
| Cost of revenues  | 399,363  | 558,761  | 159,398                |
| Selling, general and administrative   | 120,179  | 148,747  | 28,568                 |
| <b>Operating income</b>   | <b>79,927</b>  | <b>77,808</b>  | <b>(2,119)</b>         |
| <b>Other expense, net</b>   | <b>(4,853)</b>   | <b>(4,719)</b>   | <b>134</b>             |
| <b>Income before income taxes,<br/>minority interest and equity in earnings of<br/>affiliated companies</b> | <b>75,074</b>  | <b>73,089</b>  | <b>(1,985)</b>         |
| <b>Provision for income taxes</b>   | <b>26,844</b>  | <b>28,355</b>  | <b>1,511</b>           |
| <b>Income before minority interest and equity in<br/>earnings of affiliated companies</b>                   | <b>48,230</b>  | <b>44,734</b>  | <b>(3,496)</b>         |
| <b>Minority interest in consolidated subsidiaries</b>   | <b>(1,018)</b>   | <b>(1,571)</b>   | <b>(553)</b>           |
| <b>Equity in earnings of affiliated companies</b>   | <b>8,769</b>   | <b>8,114</b>   | <b>(655)</b>           |
| <b>Net income</b>   | <b>55,981</b>  | <b>51,277</b>  | <b>(4,704)</b>         |
| (Elimination)   |  |  |                        |
| <b>Elimination of net income</b>  | <b>(25)</b>  | <b>(3)</b>   | <b>22</b>              |
| (Consolidated)  |  |  |                        |
| <b>Net income</b>   | <b>777,216</b>   | <b>942,410</b>   | <b>165,194</b>         |

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

(2) Consolidated Balance Sheets as Classified into Non-Financial Services Business and Financial Services Business

(Amounts are rounded to the nearest million yen)

|  | FY2007<br>(As of March 31, 2007) | FY2008 semi-annual<br>(As of September 30,<br>2007) | Increase<br>(Decrease) |
|--|----------------------------------|---|------------------------|
| <b>Assets</b>  |                                  |   |                        |
| (Non-financial services)   |                                  |   |                        |
| <b>Current assets :</b>  | <b>7,614,395</b>                 | <b>7,865,995</b>                                    | <b>251,600</b>         |
| Cash and cash equivalents  | 1,714,722                        | 1,720,645   | 5,923                  |
| Marketable securities  | 433,434                          | 538,217   | 104,783                |
| Trade accounts and notes receivable,<br>less allowance for doubtful accounts | 2,044,729                        | 1,937,483   | (107,246)              |
| Inventories  | 1,803,956                        | 1,917,129   | 113,173                |
| Prepaid expenses and other current assets                                    | 1,617,554                        | 1,752,521   | 134,967                |
| <b>Investments and other assets</b>  | <b>6,464,204</b>                 | <b>6,470,139</b>                                    | <b>5,935</b>           |
| <b>Property, plant and equipment</b>   | <b>5,689,383</b>                 | <b>5,778,291</b>                                    | <b>88,908</b>          |
| <b>Total</b>   | <b>19,767,982</b>                | <b>20,114,425</b>                                   | <b>346,443</b>         |
| (Financial services)   |                                  |   |                        |
| <b>Current assets :</b>  | <b>4,966,089</b>                 | <b>5,386,032</b>                                    | <b>419,943</b>         |
| Cash and cash equivalents  | 185,657                          | 290,984   | 105,327                |
| Marketable securities  | 2,029                            | 7,938   | 5,909                  |
| Finance receivables, net   | 4,036,363                        | 4,242,137   | 205,774                |
| Prepaid expenses and other current assets                                    | 742,040                          | 844,973   | 102,933                |
| <b>Noncurrent finance receivables, net</b>                                   | <b>5,694,733</b>                 | <b>6,172,484</b>                                    | <b>477,751</b>         |
| <b>Investments and other assets</b>  | <b>703,476</b>                   | <b>732,071</b>                                      | <b>28,595</b>          |
| <b>Property, plant and equipment</b>   | <b>2,371,136</b>                 | <b>2,445,848</b>                                    | <b>74,712</b>          |
| <b>Total</b>   | <b>13,735,434</b>                | <b>14,736,435</b>                                   | <b>1,001,001</b>       |
| (Elimination)  |                                  |   |                        |
| <b>Elimination of assets</b>   | <b>(928,637)</b>                 | <b>(960,179)</b>                                    | <b>(31,542)</b>        |
| (Consolidated)   |                                  |   |                        |
| <b>Total assets</b>  | <b>32,574,779</b>                | <b>33,890,681</b>                                   | <b>1,315,902</b>       |

Note: Assets in the non-financial services include unallocated corporate assets.

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

(Amounts are rounded to the nearest million yen)

|   | FY2007<br>(As of March 31, 2007) | FY2008 semi-annual<br>(As of September 30,<br>2007) | Increase<br>(Decrease) |
|---|----------------------------------|---|------------------------|
| <b>Liabilities</b><br>(Non-financial services)                          |                                  |   |                        |
| <b>Current liabilities :</b>  | <b>6,390,381</b>                 | <b>6,298,844</b>                                    | <b>(91,537)</b>        |
| Short-term borrowings   | 726,822                          | 800,191   | 73,369                 |
| Current portion of long-term debt                                       | 249,750                          | 335,985   | 86,235                 |
| Accounts payable  | 2,212,598                        | 2,107,100   | (105,498)              |
| Accrued expenses  | 1,537,918                        | 1,519,814   | (18,104)               |
| Income taxes payable  | 404,388                          | 307,809   | (96,579)               |
| Other current liabilities   | 1,258,905                        | 1,227,945   | (30,960)               |
| <b>Long-term liabilities :</b>  | <b>2,150,596</b>                 | <b>2,062,436</b>                                    | <b>(88,160)</b>        |
| Long-term debt  | 537,887                          | 420,478   | (117,409)              |
| Accrued pension and severance costs                                     | 636,221                          | 619,272   | (16,949)               |
| Other long-term liabilities   | 976,488                          | 1,022,686   | 46,198                 |
| <b>Total</b>  | <b>8,540,977</b>                 | <b>8,361,280</b>                                    | <b>(179,697)</b>       |
| (Financial services)  |                                  |   |                        |
| <b>Current liabilities :</b>  | <b>6,179,737</b>                 | <b>6,930,985</b>                                    | <b>751,248</b>         |
| Short-term borrowings   | 3,404,713                        | 3,689,453   | 284,740                |
| Current portion of long-term debt                                       | 2,189,367                        | 2,580,708   | 391,341                |
| Accounts payable  | 16,286                           | 19,457  | 3,171                  |
| Accrued expenses  | 135,106                          | 166,347   | 31,241                 |
| Income taxes payable  | 16,808                           | 6,286   | (10,522)               |
| Other current liabilities   | 417,457                          | 468,734   | 51,277                 |
| <b>Long-term liabilities :</b>  | <b>6,318,861</b>                 | <b>6,526,719</b>                                    | <b>207,858</b>         |
| Long-term debt  | 5,851,882                        | 6,013,255   | 161,373                |
| Accrued pension and severance costs                                     | 4,365                            | 4,766   | 401                    |
| Other long-term liabilities   | 462,614                          | 508,698   | 46,084                 |
| <b>Total</b>  | <b>12,498,598</b>                | <b>13,457,704</b>                                   | <b>959,106</b>         |
| (Elimination)   |                                  |   |                        |
| <b>Elimination of liabilities</b><br>(Consolidated)                     | <b>(929,132)</b>                 | <b>(960,669)</b>                                    | <b>(31,537)</b>        |
| <b>Total liabilities</b><br>(Consolidated)                              | <b>20,110,443</b>                | <b>20,858,315</b>                                   | <b>747,872</b>         |
| <b>Minority interest in consolidated subsidiaries</b><br>(Consolidated) | <b>628,244</b>                   | <b>651,105</b>                                      | <b>22,861</b>          |
| <b>Shareholders' equity</b><br>(Consolidated)                           |                                  |   |                        |
| <b>Common stock</b>   | <b>397,050</b>                   | <b>397,050</b>                                      | <b>–</b>               |
| <b>Additional paid-in capital</b>                                       | <b>497,593</b>                   | <b>499,194</b>                                      | <b>1,601</b>           |
| <b>Retained earnings</b>  | <b>11,764,713</b>                | <b>12,483,267</b>                                   | <b>718,554</b>         |
| <b>Accumulated other comprehensive income</b>                           | <b>701,390</b>                   | <b>624,677</b>                                      | <b>(76,713)</b>        |
| <b>Treasury stock, at cost</b>  | <b>(1,524,654)</b>               | <b>(1,622,927)</b>                                  | <b>(98,273)</b>        |
| <b>Total shareholders' equity</b><br>(Consolidated)                     | <b>11,836,092</b>                | <b>12,381,261</b>                                   | <b>545,169</b>         |
| <b>Total liabilities and shareholders' equity</b><br>(Consolidated)     | <b>32,574,779</b>                | <b>33,890,681</b>                                   | <b>1,315,902</b>       |

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

(3) Consolidated Statements of Cash Flows as Classified into Non-Financial Services Business and Financial Services Business

(Amounts are rounded to the nearest million yen)

|   | FY2007 semi-annual<br>(April 2006 through<br>September 2006) | FY2008 semi-annual<br>(April 2007 through<br>September 2007) |
|---|--|--|
| (Non-financial services)  |  |  |
| <b>Cash flows from operating activities :</b>   |  |  |
| Net income  | 721,260  | 891,136  |
| Adjustments to reconcile net income to net cash provided by operating activities      |  |  |
| Depreciation  | 467,706  | 522,018  |
| Pension and severance costs, less payments  | (11,975)   | (17,153)   |
| Loss on disposal of fixed assets  | 17,990   | 23,551   |
| Unrealized losses on available-for-sale securities, net                               | 1,502  | 5,696  |
| Deferred income taxes   | 11,552   | 54,881   |
| Minority interest in consolidated subsidiaries  | 20,969   | 39,468   |
| Equity in earnings of affiliated companies  | (80,722)   | (136,990)  |
| Changes in operating assets and liabilities and other                                 | 64,182   | (166,210)  |
| Net cash provided by operating activities   | 1,212,464  | 1,216,397  |
| <b>Cash flows from investing activities :</b>   |  |  |
| Additions to fixed assets excluding equipment leased to others                        | (703,926)  | (683,627)  |
| Additions to equipment leased to others   | (70,262)   | (67,742)   |
| Proceeds from sales of fixed assets excluding equipment leased to others              | 29,641   | 23,578   |
| Proceeds from sales of equipment leased to others                                     | 52,178   | 36,608   |
| Purchases of marketable securities and security investments                           | (338,326)  | (558,255)  |
| Proceeds from sales of and maturity of marketable securities and security investments | 406,282  | 356,419  |
| Payment for additional investments in affiliated companies, net of cash acquired      | (1,481)  | -  |
| Changes in investments and other assets and other                                     | (64,212)   | (31,824)   |
| Net cash used in investing activities   | (690,106)  | (924,843)  |
| <b>Cash flows from financing activities :</b>   |  |  |
| Purchase of common stock  | (160,987)  | (98,252)   |
| Proceeds from issuance of long-term debt  | 7,369  | 6,157  |
| Payments of long-term debt  | (38,025)   | (45,421)   |
| Increase in short-term borrowings   | 40,035   | 68,707   |
| Dividends paid  | (178,296)  | (223,856)  |
| Net cash used in financing activities   | (329,904)  | (292,665)  |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                   | <b>11,602</b>  | <b>7,034</b>   |
| <b>Net increase in cash and cash equivalents</b>                                      | <b>204,056</b>   | <b>5,923</b>   |
| <b>Cash and cash equivalents at beginning of period</b>                               | <b>1,418,022</b>   | <b>1,714,722</b>   |
| <b>Cash and cash equivalents at end of period</b>                                     | <b>1,622,078</b>   | <b>1,720,645</b>   |

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

(Amounts are rounded to the nearest million yen)

|   | FY2007 semi-annual<br>(April 2006 through<br>September 2006) | FY2008 semi-annual<br>(April 2007 through<br>September 2007) |
|---|--|--|
| (Financial services)  |  |  |
| <b>Cash flows from operating activities :</b>   |  |  |
| Net income  | 55,981   | 51,277   |
| Adjustments to reconcile net income to net cash provided by operating activities      |  |  |
| Depreciation  | 188,253  | 232,296  |
| Deferred income taxes   | 36,166   | 14,382   |
| Minority interest in consolidated subsidiaries  | 1,018  | 1,571  |
| Equity in earnings of affiliated companies  | (8,769)  | (8,114)  |
| Changes in operating assets and liabilities and other                                 | 8,423  | 115,841  |
| Net cash provided by operating activities   | 281,072  | 407,253  |
| <b>Cash flows from investing activities :</b>   |  |  |
| Additions to finance receivables  | (6,415,457)  | (8,352,539)  |
| Collection of and proceeds from sales of finance receivables                          | 5,963,923  | 7,704,089  |
| Additions to fixed assets excluding equipment leased to others                        | (4,437)  | (3,941)  |
| Additions to equipment leased to others   | (694,626)  | (668,309)  |
| Proceeds from sales of fixed assets excluding equipment leased to others              | 3,425  | 3,781  |
| Proceeds from sales of equipment leased to others                                     | 165,037  | 161,048  |
| Purchases of marketable securities and security investments                           | (35,462)   | (108,552)  |
| Proceeds from sales of and maturity of marketable securities and security investments | 31,681   | 88,807   |
| Changes in investments and other assets and other                                     | 7,145  | 1,344  |
| Net cash used in investing activities   | (978,771)  | (1,174,272)  |
| <b>Cash flows from financing activities :</b>   |  |  |
| Proceeds from issuance of long-term debt  | 1,428,183  | 1,614,045  |
| Payments of long-term debt  | (827,008)  | (1,035,526)  |
| Increase in short-term borrowings   | 234,247  | 300,398  |
| Net cash provided by financing activities   | 835,422  | 878,917  |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                   | <b>4,703</b>   | <b>(6,571)</b>   |
| <b>Net increase in cash and cash equivalents</b>                                      | <b>142,426</b>   | <b>105,327</b>   |
| <b>Cash and cash equivalents at beginning of period</b>                               | <b>151,365</b>   | <b>185,657</b>   |
| <b>Cash and cash equivalents at end of period</b>                                     | <b>293,791</b>   | <b>290,984</b>   |

|   |                  |                  |
|---|------------------|------------------|
| (Consolidated)  |                  |                  |
| <b>Effect of exchange rate changes on cash and cash equivalents</b> | <b>16,305</b>    | <b>463</b>       |
| <b>Net increase in cash and cash equivalents</b>                    | <b>336,994</b>   | <b>111,250</b>   |
| <b>Cash and cash equivalents at beginning of period</b>             | <b>1,569,387</b> | <b>1,900,379</b> |
| <b>Cash and cash equivalents at end of period</b>                   | <b>1,906,381</b> | <b>2,011,629</b> |

Note: In the Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand, bank deposits that can be withdrawn at any time and short-term investments that can be converted into cash at any time and carry minimal risk of change in value.

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

### 3. Geographic Information

(1) FY2007 semi-annual (April 2006 through September 2006)

(Amounts are rounded to the nearest million yen)

|                                      | Japan     | North America | Europe    | Asia      | Other   | Intersegment Elimination | Consolidated |
|--------------------------------------|-----------|---------------|-----------|-----------|---------|--------------------------|--------------|
| Net revenues :                       |           |               |           |           |         |                          |              |
| (1) Sales to external customers      | 3,837,248 | 4,241,265     | 1,605,637 | 915,286   | 872,453 | –                        | 11,471,889   |
| (2) Intersegment sales and transfers | 3,173,016 | 103,321       | 77,026    | 109,438   | 96,061  | (3,558,862)              | –            |
| Total                                | 7,010,264 | 4,344,586     | 1,682,663 | 1,024,724 | 968,514 | (3,558,862)              | 11,471,889   |
| Operating expenses                   | 6,325,868 | 4,094,070     | 1,616,637 | 963,418   | 932,441 | (3,553,970)              | 10,378,464   |
| Operating income                     | 684,396   | 250,516       | 66,026    | 61,306    | 36,073  | (4,892)                  | 1,093,425    |

(2) FY2008 semi-annual (April 2007 through September 2007)

(Amounts are rounded to the nearest million yen)

|                                      | Japan     | North America | Europe    | Asia      | Other     | Intersegment Elimination | Consolidated |
|--------------------------------------|-----------|---------------|-----------|-----------|-----------|--------------------------|--------------|
| Net revenues :                       |           |               |           |           |           |                          |              |
| (1) Sales to external customers      | 3,909,716 | 4,816,838     | 1,949,511 | 1,339,203 | 996,941   | –                        | 13,012,209   |
| (2) Intersegment sales and transfers | 3,407,116 | 93,076        | 71,133    | 166,112   | 131,940   | (3,869,377)              | –            |
| Total                                | 7,316,832 | 4,909,914     | 2,020,644 | 1,505,315 | 1,128,881 | (3,869,377)              | 13,012,209   |
| Operating expenses                   | 6,543,467 | 4,655,813     | 1,952,338 | 1,388,559 | 1,057,175 | (3,857,307)              | 11,740,045   |
| Operating income                     | 773,365   | 254,101       | 68,306    | 116,756   | 71,706    | (12,070)                 | 1,272,164    |

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

#### 4. Overseas Sales

(1) FY2007 semi-annual (April 2006 through September 2006)

(Amounts are rounded to the nearest million yen)

|  | North America | Europe    | Asia      | Other     | Total      |
|--|---------------|-----------|-----------|-----------|------------|
| Overseas sales                                   | 4,347,221     | 1,579,817 | 1,013,224 | 1,616,709 | 8,556,971  |
| Consolidated sales                               | –             | –         | –         | –         | 11,471,889 |
| Ratio of overseas sales<br>to consolidated sales | %<br>37.9     | %<br>13.8 | %<br>8.8  | %<br>14.1 | %<br>74.6  |

(2) FY2008 semi-annual (April 2007 through September 2007)

(Amounts are rounded to the nearest million yen)

|  | North America | Europe    | Asia      | Other     | Total      |
|--|---------------|-----------|-----------|-----------|------------|
| Overseas sales                                   | 4,997,523     | 1,900,711 | 1,449,529 | 1,759,570 | 10,107,333 |
| Consolidated sales                               | –             | –         | –         | –         | 13,012,209 |
| Ratio of overseas sales<br>to consolidated sales | %<br>38.4     | %<br>14.6 | %<br>11.2 | %<br>13.5 | %<br>77.7  |

# UNCONSOLIDATED STATEMENTS OF INCOME

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(Million yen; amounts less than one million yen are omitted)

|  | FY2007 semi-annual<br>(April 2006 through<br>September 2006) | FY2008 semi-annual<br>(April 2007 through<br>September 2007) | Increase<br>(Decrease) | FY2007<br>(April 2006 through<br>March 2007) |
|--|--|--|------------------------|--|
| <b>Net sales</b>                             | <b>5,470,326</b>   | <b>5,737,166</b>   | <b>266,840</b>         | <b>11,571,834</b>                            |
| Cost of sales                                | 4,366,940  | 4,559,138  | 192,198                | 9,233,135                                    |
| <b>Gross profit</b>                          | <b>1,103,386</b>   | <b>1,178,028</b>   | <b>74,642</b>          | <b>2,338,698</b>                             |
| Selling, general and administrative expenses | 532,370  | 568,234  | 35,864                 | 1,187,776                                    |
| <b>Operating income</b>                      | <b>571,015</b>   | <b>609,794</b>   | <b>38,779</b>          | <b>1,150,921</b>                             |
| <b>Non-operating income</b>                  | <b>244,798</b>   | <b>290,674</b>   | <b>45,876</b>          | <b>473,937</b>                               |
| Interest income                              | 11,356   | 29,420   | 18,064                 | 34,045                                       |
| Dividend income                              | 169,205  | 201,845  | 32,640                 | 311,830                                      |
| Others                                       | 64,235   | 59,408   | (4,827)                | 128,061                                      |
| <b>Non-operating expenses</b>                | <b>37,535</b>  | <b>48,064</b>  | <b>10,529</b>          | <b>69,665</b>                                |
| Interest expenses                            | 5,477  | 6,018  | 541                    | 11,159                                       |
| Others                                       | 32,058   | 42,045   | 9,987                  | 58,505                                       |
| <b>Ordinary income</b>                       | <b>778,277</b>   | <b>852,404</b>   | <b>74,127</b>          | <b>1,555,193</b>                             |
| <b>Income before income taxes</b>            | <b>778,277</b>   | <b>852,404</b>   | <b>74,127</b>          | <b>1,555,193</b>                             |
| Income taxes – current                       | 236,800  | 226,700  | (10,100)               | 474,600                                      |
| Income taxes – deferred                      | 15,626   | 23,756   | 8,130                  | 20,483                                       |
| <b>Net income</b>                            | <b>525,851</b>   | <b>601,947</b>   | <b>76,096</b>          | <b>1,060,109</b>                             |



# UNCONSOLIDATED BALANCE SHEETS

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(Million yen; amounts less than one million yen are omitted)

|  | FY2007<br>(As of<br>March 31, 2007) | FY2008 semi-annual<br>(As of<br>September 30, 2007) | Increase<br>(Decrease) | FY2007 semi-annual<br>(As of<br>September 30, 2006) |
|--|-------------------------------------|---|------------------------|---|
| <b>Assets</b>                              |                                     |   |                        |   |
| <b>Current assets</b>                      | <b>4,116,670</b>                    | <b>4,025,106</b>                                    | <b>(91,564)</b>        | <b>3,767,462</b>                                    |
| Cash and deposits                          | 182,855                             | 122,912   | (59,943)               | 192,042   |
| Trade accounts receivable                  | 1,254,098                           | 1,098,875   | (155,223)              | 1,084,671   |
| Marketable securities                      | 1,011,348                           | 1,155,823   | 144,475                | 880,653   |
| Finished goods                             | 126,793                             | 148,496   | 21,703                 | 118,929   |
| Raw materials                              | 46,001                              | 44,092  | (1,909)                | 42,114  |
| Work in process                            | 97,592                              | 105,142   | 7,550                  | 86,902  |
| Supplies                                   | 8,113                               | 10,776  | 2,663                  | 8,753   |
| Short-term loans                           | 541,452                             | 522,233   | (19,219)               | 565,653   |
| Deferred tax assets                        | 292,732                             | 273,178   | (19,554)               | 270,170   |
| Others                                     | 568,682                             | 552,275   | (16,407)               | 524,169   |
| Less: allowance for doubtful accounts      | (13,000)                            | (8,700)   | 4,300                  | (6,600)   |
| <b>Fixed assets</b>                        | <b>6,544,498</b>                    | <b>6,486,347</b>                                    | <b>(58,151)</b>        | <b>6,104,622</b>                                    |
| <b>Property, plant and equipment</b>       | <b>1,358,160</b>                    | <b>1,343,274</b>                                    | <b>(14,886)</b>        | <b>1,271,289</b>                                    |
| Buildings                                  | 414,044                             | 412,670   | (1,374)                | 388,447   |
| Structures                                 | 41,316                              | 45,145  | 3,829                  | 39,044  |
| Machinery and equipment                    | 331,032                             | 341,620   | 10,588                 | 310,897   |
| Vehicle and delivery equipment             | 21,092                              | 19,575  | (1,517)                | 15,541  |
| Tools, furniture and fixtures              | 92,957                              | 92,594  | (363)                  | 81,137  |
| Land                                       | 385,450                             | 389,809   | 4,359                  | 386,348   |
| Construction in progress                   | 72,266                              | 41,858  | (30,408)               | 49,872  |
| <b>Investments and other assets</b>        | <b>5,186,338</b>                    | <b>5,143,073</b>                                    | <b>(43,265)</b>        | <b>4,833,333</b>                                    |
| Investments in securities                  | 2,595,932                           | 2,562,474   | (33,458)               | 2,299,218   |
| Investments in subsidiaries and affiliates | 1,974,239                           | 1,975,992   | 1,753                  | 1,949,615   |
| Long-term loans                            | 473,766                             | 446,200   | (27,566)               | 466,530   |
| Others                                     | 164,099                             | 180,305   | 16,206                 | 148,469   |
| Less: allowance for doubtful accounts      | (21,700)                            | (21,900)  | (200)                  | (30,500)  |
| <b>Total</b>                               | <b>10,661,169</b>                   | <b>10,511,453</b>                                   | <b>(149,716)</b>       | <b>9,872,085</b>                                    |

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(Million yen; amounts less than one million yen are omitted)

|   | FY2007<br>(As of<br>March 31, 2007) | FY2008 semi-annual<br>(As of<br>September 30, 2007) | Increase<br>(Decrease) | FY2007 semi-annual<br>(As of<br>September 30, 2006) |
|---|-------------------------------------|---|------------------------|---|
| <b>Liabilities</b>  |                                     |   |                        |   |
| <b>Current liabilities</b>                                | <b>2,730,572</b>                    | <b>2,529,078</b>                                    | <b>(201,494)</b>       | <b>2,183,988</b>                                    |
| Trade notes payable                                       | 1,227                               | 1,180   | (47)                   | 1,170   |
| Trade accounts payable                                    | 1,035,441                           | 997,488   | (37,953)               | 944,043   |
| Current portion of bonds                                  | 150,000                             | 250,000   | 100,000                | –   |
| Other payables  | 467,229                             | 348,438   | (118,791)              | 314,537   |
| Income taxes payable                                      | 283,960                             | 215,401   | (68,559)               | 222,945   |
| Accrued expenses  | 549,152                             | 489,803   | (59,349)               | 449,046   |
| Deposits received   | 224,038                             | 212,599   | (11,439)               | 221,742   |
| Others  | 19,523                              | 14,166  | (5,357)                | 30,503  |
| <b>Long-term liabilities</b>                              | <b>779,993</b>                      | <b>629,633</b>                                      | <b>(150,360)</b>       | <b>843,834</b>                                      |
| Bonds   | 350,000                             | 250,000   | (100,000)              | 500,000   |
| Allowance for retirement benefits                         | 283,032                             | 280,805   | (2,227)                | 286,799   |
| Deferred tax liabilities                                  | 103,593                             | 55,279  | (48,314)               | 31,971  |
| Others  | 43,367                              | 43,548  | 181                    | 25,062  |
| <b>Total liabilities</b>                                  | <b>3,510,565</b>                    | <b>3,158,712</b>                                    | <b>(351,853)</b>       | <b>3,027,822</b>                                    |
| <b>Net assets</b>   |                                     |   |                        |   |
| <b>Shareholders' equity</b>                               | <b>6,593,724</b>                    | <b>6,873,701</b>                                    | <b>279,977</b>         | <b>6,354,788</b>                                    |
| <b>Common stock</b>                                       | <b>397,049</b>                      | <b>397,049</b>                                      | <b>–</b>               | <b>397,049</b>                                      |
| <b>Capital surplus</b>                                    | <b>417,378</b>                      | <b>417,515</b>                                      | <b>137</b>             | <b>417,179</b>                                      |
| Capital reserve   | 416,970                             | 416,970   | –                      | 416,970   |
| Other capital surplus                                     | 407                                 | 544   | 137                    | 208   |
| <b>Retained earnings</b>                                  | <b>7,335,143</b>                    | <b>7,713,235</b>                                    | <b>378,092</b>         | <b>6,961,695</b>                                    |
| Legal reserve   | 99,454                              | 99,454  | –                      | 99,454  |
| Other retained earnings                                   |                                     |   |                        |   |
| Reserve for losses on overseas investments                | 117                                 | 94  | (23)                   | 140   |
| Reserve for special depreciation                          | 3,228                               | 2,882   | (346)                  | 3,405   |
| Reserve for reduction of acquisition cost of fixed assets | 7,554                               | 8,452   | 898                    | 7,496   |
| General reserve   | 5,740,926                           | 6,340,926   | 600,000                | 5,740,926   |
| Retained earnings carried forward                         | 1,483,862                           | 1,261,425   | (222,437)              | 1,110,271   |
| <b>Less: treasury stock</b>                               | <b>(1,555,847)</b>                  | <b>(1,654,099)</b>                                  | <b>(98,252)</b>        | <b>(1,421,136)</b>                                  |
| <b>Valuation and translation adjustments</b>              | <b>555,708</b>                      | <b>476,670</b>                                      | <b>(79,038)</b>        | <b>489,182</b>                                      |
| <b>Net unrealized gains on other securities</b>           | <b>554,947</b>                      | <b>475,833</b>                                      | <b>(79,114)</b>        | <b>488,167</b>                                      |
| <b>Deferred hedge gains or losses</b>                     | <b>760</b>                          | <b>837</b>  | <b>77</b>              | <b>1,014</b>  |
| <b>Stock acquisition rights</b>                           | <b>1,171</b>                        | <b>2,369</b>  | <b>1,198</b>           | <b>292</b>  |
| <b>Total net assets</b>                                   | <b>7,150,603</b>                    | <b>7,352,741</b>                                    | <b>202,138</b>         | <b>6,844,262</b>                                    |
| <b>Total</b>  | <b>10,661,169</b>                   | <b>10,511,453</b>                                   | <b>(149,716)</b>       | <b>9,872,085</b>                                    |

# UNCONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

FY2007 semi-annual (April 2006 through September 2006)

(Million yen; amounts less than one million yen are omitted)

|  | Shareholders' equity |                 |                       |                       |               |  |                                  |   |                 |                                   |                         | Treasury stock | Total shareholders' equity |
|--|----------------------|-----------------|-----------------------|-----------------------|---------------|--|----------------------------------|---|-----------------|-----------------------------------|-------------------------|----------------|----------------------------|
|  | Common stock         | Capital surplus |                       |                       | Legal reserve | Retained earnings                          |                                  |   |                 |                                   | Total retained earnings |                |                            |
|  |                      | Capital reserve | Other capital surplus | Total capital surplus |               | Other retained earnings                    |                                  |   |                 |                                   |                         |                |                            |
|  |                      |                 |                       |                       |               | Reserve for losses on overseas investments | Reserve for special depreciation | Reserve for reduction of acquisition cost of fixed assets | General reserve | Retained earnings carried forward |                         |                |                            |
| <b>Balance as of March 31, 2006</b>  | 397,049              | 416,970         | -                     | 416,970               | 99,454        | 197  | 3,196                            | 6,586   | 5,340,926       | 1,164,506                         | 6,614,868               | (1,260,148)    | 6,168,740                  |
| <b>Changes during the current half</b>                                     |                      |                 |                       |                       |               |  |                                  |   |                 |                                   |                         |                |                            |
| Reversal of reserve for losses on overseas investments                     |                      |                 |                       |                       |               | (56)                                       |                                  |   |                 | 56                                |                         |                |                            |
| Appropriation to reserve for special depreciation                          |                      |                 |                       |                       |               |  | 830                              |   |                 | (830)                             |                         |                |                            |
| Reversal of reserve for special depreciation                               |                      |                 |                       |                       |               |  | (621)                            |   |                 | 621                               |                         |                |                            |
| Appropriation to reserve for reduction of acquisition cost of fixed assets |                      |                 |                       |                       |               |  |                                  | 934   |                 | (934)                             |                         |                |                            |
| Reversal of reserve for reduction of acquisition cost of fixed assets      |                      |                 |                       |                       |               |  |                                  |   |                 | (24)                              | 24                      |                |                            |
| Appropriation to general reserve   |                      |                 |                       |                       |               |  |                                  |   | 400,000         | (400,000)                         |                         |                |                            |
| Dividends paid   |                      |                 |                       |                       |               |  |                                  |   |                 | (178,296)                         | (178,296)               |                | (178,296)                  |
| Bonuses to directors and corporate auditors                                |                      |                 |                       |                       |               |  |                                  |   |                 | (727)                             | (727)                   |                | (727)                      |
| Net income   |                      |                 |                       |                       |               |  |                                  |   |                 | 525,851                           | 525,851                 |                | 525,851                    |
| Purchase of treasury stock   |                      |                 |                       |                       |               |  |                                  |   |                 |                                   |                         | (162,744)      | (162,744)                  |
| Disposal of treasury stock   |                      |                 | 208                   | 208                   |               |  |                                  |   |                 |                                   |                         | 1,757          | 1,965                      |
| Net changes of items other than shareholders' equity                       |                      |                 |                       |                       |               |  |                                  |   |                 |                                   |                         |                |                            |
| <b>Total changes during the current half</b>                               | -                    | -               | 208                   | 208                   | -             | (56)                                       | 209                              | 909   | 400,000         | (54,235)                          | 346,826                 | (160,987)      | 186,047                    |
| <b>Balance as of September 30, 2006</b>                                    | 397,049              | 416,970         | 208                   | 417,179               | 99,454        | 140  | 3,405                            | 7,496   | 5,740,926       | 1,110,271                         | 6,961,695               | (1,421,136)    | 6,354,788                  |

|  | Valuation and translation adjustments    |                                |   | Stock acquisition rights | Total net assets |
|--|--|--------------------------------|---|--------------------------|------------------|
|  | Net unrealized gains on other securities | Deferred hedge gains or losses | Total valuation and translation adjustments |                          |                  |
| <b>Balance as of March 31, 2006</b>  | 518,155                                  | -                              | 518,155                                     | -                        | 6,686,895        |
| <b>Changes during the current half</b>                                     |  |                                |   |                          |                  |
| Reversal of reserve for losses on overseas investments                     |  |                                |   |                          |                  |
| Appropriation to reserve for special depreciation                          |  |                                |   |                          |                  |
| Reversal of reserve for special depreciation                               |  |                                |   |                          |                  |
| Appropriation to reserve for reduction of acquisition cost of fixed assets |  |                                |   |                          |                  |
| Reversal of reserve for reduction of acquisition cost of fixed assets      |  |                                |   |                          |                  |
| Appropriation to general reserve   |  |                                |   |                          |                  |
| Dividends paid   |  |                                |   |                          | (178,296)        |
| Bonuses to directors and corporate auditors                                |  |                                |   |                          | (727)            |
| Net income   |  |                                |   |                          | 525,851          |
| Purchase of treasury stock   |  |                                |   |                          | (162,744)        |
| Disposal of treasury stock   |  |                                |   |                          | 1,965            |
| Net changes of items other than shareholders' equity                       | (29,987)                                 | 1,014                          | (28,973)                                    | 292                      | (28,680)         |
| <b>Total changes during the current half</b>                               | (29,987)                                 | 1,014                          | (28,973)                                    | 292                      | 157,367          |
| <b>Balance as of September 30, 2006</b>                                    | 488,167                                  | 1,014                          | 489,182                                     | 292                      | 6,844,262        |

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

FY2008 semi-annual (April 2007 through September 2007)

(Million yen; amounts less than one million yen are omitted)

|  | Shareholders' equity |                 |                       |                       |               |  |                                  |   |                 |                                   |                         |                |                            |
|--|----------------------|-----------------|-----------------------|-----------------------|---------------|--|----------------------------------|---|-----------------|-----------------------------------|-------------------------|----------------|----------------------------|
|  | Common stock         | Capital surplus |                       |                       | Legal reserve | Retained earnings                          |                                  |   |                 |                                   |                         | Treasury stock | Total shareholders' equity |
|  |                      | Capital reserve | Other capital surplus | Total capital surplus |               | Other retained earnings                    |                                  |   |                 |                                   | Total retained earnings |                |                            |
|  |                      |                 |                       |                       |               | Reserve for losses on overseas investments | Reserve for special depreciation | Reserve for reduction of acquisition cost of fixed assets | General reserve | Retained earnings carried forward |                         |                |                            |
| <b>Balance as of March 31, 2007</b>  | 397,049              | 416,970         | 407                   | 417,378               | 99,454        | 117  | 3,228                            | 7,554   | 5,740,926       | 1,483,862                         | 7,335,143               | (1,555,847)    | 6,593,724                  |
| <b>Changes during the current half</b>                                     |                      |                 |                       |                       |               |  |                                  |   |                 |                                   |                         |                |                            |
| Reversal of reserve for losses on overseas investments                     |                      |                 |                       |                       |               | (23)                                       |                                  |   |                 | 23                                |                         |                |                            |
| Appropriation to reserve for special depreciation                          |                      |                 |                       |                       |               |  | 292                              |   |                 | (292)                             |                         |                |                            |
| Reversal of reserve for special depreciation                               |                      |                 |                       |                       |               |  | (638)                            |   |                 | 638                               |                         |                |                            |
| Appropriation to reserve for reduction of acquisition cost of fixed assets |                      |                 |                       |                       |               |  |                                  | 913   |                 | (913)                             |                         |                |                            |
| Reversal of reserve for reduction of acquisition cost of fixed assets      |                      |                 |                       |                       |               |  |                                  | (15)  |                 | 15                                |                         |                |                            |
| Appropriation to general reserve   |                      |                 |                       |                       |               |  |                                  |   | 600,000         | (600,000)                         |                         |                |                            |
| Dividends paid   |                      |                 |                       |                       |               |  |                                  |   |                 | (223,855)                         | (223,855)               |                | (223,855)                  |
| Net income   |                      |                 |                       |                       |               |  |                                  |   |                 | 601,947                           | 601,947                 |                | 601,947                    |
| Purchase of treasury stock   |                      |                 |                       |                       |               |  |                                  |   |                 |                                   |                         | (99,847)       | (99,847)                   |
| Disposal of treasury stock   |                      |                 | 137                   | 137                   |               |  |                                  |   |                 |                                   |                         | 1,595          | 1,732                      |
| Net changes of items other than shareholders' equity                       |                      |                 |                       |                       |               |  |                                  |   |                 |                                   |                         |                |                            |
| <b>Total changes during the current half</b>                               | -                    | -               | 137                   | 137                   | -             | (23)                                       | (346)                            | 898   | 600,000         | (222,437)                         | 378,092                 | (98,252)       | 279,977                    |
| <b>Balance as of September 30, 2007</b>                                    | 397,049              | 416,970         | 544                   | 417,515               | 99,454        | 94   | 2,882                            | 8,452   | 6,340,926       | 1,261,425                         | 7,713,235               | (1,654,099)    | 6,873,701                  |

|  | Valuation and translation adjustments    |                                |   | Stock acquisition rights | Total net assets |
|--|--|--------------------------------|---|--------------------------|------------------|
|  | Net unrealized gains on other securities | Deferred hedge gains or losses | Total valuation and translation adjustments |                          |                  |
| <b>Balance as of March 31, 2007</b>  | 554,947                                  | 760                            | 555,708                                     | 1,171                    | 7,150,603        |
| <b>Changes during the current half</b>                                     |  |                                |   |                          |                  |
| Reversal of reserve for losses on overseas investments                     |  |                                |   |                          |                  |
| Appropriation to reserve for special depreciation                          |  |                                |   |                          |                  |
| Reversal of reserve for special depreciation                               |  |                                |   |                          |                  |
| Appropriation to reserve for reduction of acquisition cost of fixed assets |  |                                |   |                          |                  |
| Reversal of reserve for reduction of acquisition cost of fixed assets      |  |                                |   |                          |                  |
| Appropriation to general reserve   |  |                                |   |                          |                  |
| Dividends paid   |  |                                |   |                          | (223,855)        |
| Net income   |  |                                |   |                          | 601,947          |
| Purchase of treasury stock   |  |                                |   |                          | (99,847)         |
| Disposal of treasury stock   |  |                                |   |                          | 1,732            |
| Net changes of items other than shareholders' equity                       | (79,114)                                 | 77                             | (79,038)                                    | 1,198                    | (77,839)         |
| <b>Total changes during the current half</b>                               | (79,114)                                 | 77                             | (79,038)                                    | 1,198                    | 202,138          |
| <b>Balance as of September 30, 2007</b>                                    | 475,833                                  | 837                            | 476,670                                     | 2,369                    | 7,352,741        |